

## Message Text

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PAGE 01 BONN 00884 01 OF 02 171818Z

47

ACTION EUR-12

INFO OCT-01 ISO-00 AEC-07 AID-05 CEA-01 CIAE-00 CIEP-02

COME-00 DODE-00 EB-07 FEAE-00 FPC-01 H-02 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 RSC-01 SAM-01

OES-05 SP-02 SS-15 STR-04 TRSE-00 FRB-01 PA-02 PRS-01

USIA-15 XMB-04 OPIC-06 LAB-04 SIL-01 /123 W

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R 171807Z JAN 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC 7341

INFO AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY THE HAGUE

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

UNCLAS SECTION 01 OF 02 BONN 00884

E.O. 11652: N/A

TAGS: EGEN, ENRG

SUBJECT: FRG PRESS REACTION TO PRESIDENT FORD'S STATE  
OF THE UNION MESSAGE

1. FRG NEWSPAPER REACTION TO PRESIDENT FORD'S STATE OF  
THE UNION MESSAGE AND TO HIS PROPOSALS FOR SOLVING THE  
US AS WELL AS THE WORLD'S CURRENT ECONOMIC AND FINAN-  
CIAL PROBLEMS HAS BEEN EXTENSIVE. THE VIEWS ABOUT  
THE IMPLEMENTABILITY OF THE PROGRAM AS PRE-  
SENTED BY THE PRESIDENT ARE HESITANT, IF NOT PESSI-

MISTIC. THE GENERAL TENOR IN THE COMMENTS IS THAT WHILE  
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PAGE 02 BONN 00884 01 OF 02 171818Z

REPUBLICANS AND DEMOCRATS IN THE CONGRESS CONCUR ABOUT

THE SERIOUS STATE OF THE AMERICAN NATION, BOTH PARTIES WILL PROBABLY WANT TO REMEDY THE SITUATION IN THEIR OWN WAY.

2. KLAUS ENGELEN, WASHINGTON CORRESPONDENT OF HANDELS-BLATT STATED THAT "IN GENERAL, POLITICAL PARTIES AND INTEREST GROUPS SHY AWAY FROM COMING TO GRIPS WITH THE THREE CHIEF PROBLEMS: RECESSION, INFLATION AND THE ENERGY CRISIS. THERE IS LITTLE THE AMERICANS CAN DO ON ALL THREE FRONTS WITHOUT CREATING CONSIDERABLE SIDE-EFFECTS ON THE WORLDWIDE ECONOMY, SINKING AS IT IS INTO A GENERAL RECESSION AND THREATENED BY THE PETRO-DOLLARS". ENGELEN COMES TO THE CONCLUSION THAT "BAD AS THE ECONOMIC SITUATION IS, FORD IS RIGHT ABOUT AT LEAST THIS: THE US IS NOT ON THE BRINK OF AN ECONOMIC CRISIS. IT IS ALSO TRUE THAT SINKING LEVELS OF INTEREST AND CERTAIN SYMPTOMS OF LESSENERED PRESSURE ON PRICES AMOUNT TO THE FIRST SIGNS OF STABILIZATION. IN STILL ANOTHER

POINT, FORD IS RIGHT: THE US CAN SOLVE ITS ECONOMIC PROBLEMS ONLY IN COOPERATION WITH ITS WESTERN PARTNERS".

3. THE FRANKFURTER RUNDSCHAU NOTES THAT WHILE EXPERTS DISAGREE OVER THE USEFULNESS OF THE NEW ECONOMIC MEASURES, THERE IS GENERAL AGREEMENT THAT "AT FIRST, THE GOING IS GOING TO BE STILL ROUGHER FOR AMERICA..."

4. THE NEUE RHEIN ZEITUNG SUGGESTS THAT "THE WESTERN INDUSTRIAL PARTNERS OF THE US FOR WHOM THE AMERICAN MARKET IS ENORMOUSLY IMPORTANT, CAN ONLY WISH FORD LUCK. FOR IF THE US DOES NOT SUCCEED IN CONQUERING THE NEW NATIONAL ENEMY NO. 1, RECESSION, THEN A WORLD ECONOMY THAT IS ALREADY HURTING BADLY HAS CONSIDERABLY DARKER DAYS STILL AHEAD".

5. THE SUEDEDEUTSCHE ZEITUNG ARGUES THAT "TO PUMP \$46,000 MILLION INTO THE ECONOMY WILL CERTAINLY ADD MOMENTUM TO INFLATION. CURRENCY DEVALUATION HAS CONSISTENTLY LED - - AFTER AN INITIAL UPTURN - - TO A

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PAGE 03 BONN 00884 01 OF 02 171818Z

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PAGE 01 BONN 00884 02 OF 02 171818Z

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UNCLAS SECTION 02 OF 02 BONN 00884

NEW RISE OF UNEMPLOYMENT. IN OTHER WORDS, FUTURE  
UNEMPLOYMENT, SAD TO SAY, HAS BEEN PRE-PROGRAMMED INTO  
FORD'S PROGRAM". IT DESCRIBES THE PRESIDENT'S PROGRAM  
AS BEING "FILLED WITH PARADOXES, WITH UNCALCULABLE  
ITEMS SINCE IT DEPENDS SO MUCH ON NOT FORESEEABLE  
MARKET DECISIONS OF MILLIONS OF WORKING INDIVIDUALS;  
IT IS SO ECLECTICALLY MIXED WITH ELEMENTS OF LIBERAL  
AND CONSERVATIVE ORIGIN THAT IT WILL BE RETURNED TO  
HIM IN LEGISLATIVE FORM ONLY IN A STRONGLY ALTERED VER-  
SION...THE ADDITIONAL YIELD OF \$30 BILLION IS TO BE  
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PAGE 02 BONN 00884 02 OF 02 171818Z

RELAYED THROUGH VARIOUS WAYS TO THE CONSUMERS BUT THERE

IS NO CERTAINTY THAT THIS GROWTH OF PURCHASING POWER MAY NOT BE USED FOR THE PURPOSE OF FINANCING THE MORE EXPENSIVE GASOLINE INSTEAD OF BEING CONVERTED INTO THE ESTABLISHMENT OF NEW JOBS".

6. THE FRANKFURTER ALLGEMEINE INTERPRETS THE LITTLE APPLAUSE WHICH THE PRESIDENT OBTAINED WHILE DELIVERING HIS MESSAGE AS A SIGN OF THE OPPOSITION THE PRESIDENT WILL FACE FROM ALL SIDES IN GETTING HIS RECOVERY PRO-

GRAM THROUGH CONGRESS. THE PAPER BELIEVES THAT ONLY THE TAX CUTS (IN A REVISED FORM) WILL HAVE A CHANCE OF BEING ENACTED, WHILE THE OTHER MEASURES WILL BE "PUT OFF AS AN INADEQUATE MEANS TO FIGHT INFLATION, AS A KNOWN DETRIMENT TO THE POOREST SECTIONS OF THE POPULATION, AND AS A NEW, UP TO NOW UNPRECEDENTED AND DANGEROUS GROWTH OF THE PUBLIC DEBT".

7. DIE WELT'S WASHINGTON CORRESPONDENT HORST SIEBERT WROTE" THE DECISION HAS BEEN MADE. LIKE THE OTHER WESTERN INDUSTRIALIZED COUNTRIES, THE US IS GIVING THE WAR ON RECESSION PRIORITY. SO AMERICA'S TRADE PARTNERS CAN SIGH WITH RELIEF. IF THE WHITE HOUSE STIMULATES THE US ECONOMY, THERE ARE STRONG INDICATIONS THAT THE WORLDWIDE ECONOMIC DECLINE WILL BE STOPPED AND REVERSED...FORD'S MEASURES MAY SUFFICE TO LET THE UPWARD CLIMB BEGIN, EVEN IF SLOWLY, ABOUT MID-YEAR....BUT WHAT WILL HAPPEN IN THE LONG RUN?.... AT FIRST, FORD'S ANTI-RECESSION PROGRAM WILL WORK. BUT BEHIND IT ARE MANY-FACETED POSSIBILITIES OF INFLATION." CASH

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**To:** STATE  
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